Interview with Philip H. Valdes

The Association for Diplomatic Studies and Training Foreign Affairs Oral History Project

PHILIP H. VALDES

Interviewed by: William Knight

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Q: This is a recording of an interview with retired Foreign Service Officer Philip H. Valdes for the Foreign Affairs Oral History Program. My name is William Knight. This interview is taking place on July 11, 1994. Phil, I suggest you start by listing your Foreign Service posts, when you entered the Service, and so forth. Why don't we start with that and go from there?

VALDES: All right. I came into the Foreign Service in July, 1947, went through the usual, beginning course at the Foreign Service Institute, and was assigned to Chungking, China, as my first post.

I arrived in Chungking in November, 1947, stayed until May, 1949, and then went to Korea. I was in [the Embassy in] Seoul and in [the Consulate in] Pusan for three or four months until May, 1950. I went on home leave, during the course of which they “lost” my post.

Q: Due to the [outbreak of the Korean] War.

VALDES: I went into the Intermediate Officers' Course at the Foreign Service Institute [FSI]. My post of assignment in Korea was recaptured while I was [at the FSI], but I was

told to finish the course. They proceeded to “lose” my post [at the Embassy in Seoul] again, after the Chinese [Communists] entered the war [toward the end of 1950]. I never did get back to Korea. I went instead into Russian language and area training, which I had wanted to do. I spent four months at the Foreign Service Institute, two months at Cornell University, and two terms at Columbia University.

Q: Was this a total of two years [of Russian language and area training], then?

VALDES: It was a year and a half. In July, 1952, I went to [the Embassy in] Moscow, served for two years there, and was then transferred to [the Consulate General] in Frankfurt, to the Peripheral Reporting Unit. [My job] involved interviewing Soviet defectors. I was only there for seven months, because, although I didn't know it at the time, I'd been selected for a job in [the Embassy in] Paris.

Q: As a peripheral reporting officer?

VALDES: As part of the Political Section, dealing with the French Communist Party and contacts with the Quai d'Orsay [French Foreign Ministry] on Eastern Europe, generally.

Q: You were not a “Russia watcher” in Paris, then? There were peripheral reporting assignments in other posts which were supposed to be focusing on Russian matters.

VALDES: Yes. This assignment partly involved [peripheral reporting on the Soviet Union] and partly involved following French Communist affairs.

Q: I guess that Norris Chipman would have been there [in the Embassy in Paris], wasn't he?

VALDES: He had been there.

Q: Perhaps he was already in [the Embassy in Rome]. Excuse me for interrupting.

VALDES: There had been two officers dealing with Eastern Europe and Soviet affairs generally. How they split up the work I don't know because the two positions had been merged into one by the time I got there. In any case, this assignment to Paris came through while I was still in Frankfurt. I left Frankfurt in July, 1955, to go to Paris.

I was in Paris for four years and then went back to the Department of State [June, 1959], where I was French Desk Officer for two years. I then spent three years [1961-1964] in Soviet Affairs. After this, I went back to [the Embassy in] Moscow for two years, 1964 to 1966. I then had a year at the Naval War College in Newport, Rhode Island, and a tour completely “out of area” and substance in Bangkok [Thailand], dealing with Thai internal political affairs, from 1967 to 1970. Then I went to Berlin to work in the Eastern Affairs Section [of the U. S. Mission] for two years [1970-1972].

I then spent three years [1972-1975] in Munich, mainly as liaison officer with Radio Free Europe and Radio Liberty. This assignment came up just after Senator Clifford Case divulged the fact that the two radio stations were financed and operated by the CIA [Central Intelligence Agency]. When this became public, all CIA connections were terminated. This left it up to the Department of State to see how the radio stations conducted themselves. I did that for three years and was also a Political Officer in Munich. Then I came home and retired from the Foreign Service a year later in 1976.

Q: That's about when I retired. Well, to me there are all sorts of interesting areas there. Let me start out with Chungking. What was your assignment there?

VALDES: It was a post which had between two and five people assigned to it, when I was there. While Chungking had been the capital of [the Republic of] China during World War II, the capital had subsequently moved to Nanking. Chungking had become a small Consulate, pretty much out of the way. I did economic reporting. Sichuan [Province, where it was located] was well-known for its production of tung oil, silk, and oranges, among other things.

Q: All strategic materials.

VALDES: And hog bristles, as well, which were actually flown out, part of the time that I was there. They were pretty valuable things. I was there, I think I said, a year and a half. Then I was transferred to Nanking [in April, 1949], some three weeks after Nanking fell to the Communists.

Q: So you were one of the people who "lost" China, then?

VALDES: Well, I "lost" it, but it didn't really get lost until after I'd left. So I think that I can weasel out of that.

I was transferred to Nanking, along with a friend from the Foreign Service Institute course, who had been assigned to [the Embassy in] Seoul. A series of telegrams was sent from Seoul, Nanking, and Canton, where a branch of the Embassy in Chungking had been set up, asking how we get Rozier and Valdes to Nanking. It didn't seem very feasible. The branch of the Embassy in Canton pointed out that it, too, was the Embassy and would welcome both of us. The remnant of the Embassy in Nanking said that they'd like to have us, but they didn't know how we could get there. The Department of State, in its wisdom, simply "swapped" us. So I went to [the Embassy in] Seoul, and Rozier went to Chungking, where he lasted about five months before he had to leave when that city also fell to the Communists.

This was obviously an interesting period in China, even though we were off in the periphery of anything that was happening there. We did see a lot of the problems that the Chinese were going through, including the inflation. The Chinese currency went from around 100,000 or so Chinese Nationalist dollars [to US$1.00] to 12 million, I believe, during the first year I was there. Then the authorities divided all prices by three million to arrive at the "Gold Yuan," so named, although it had no gold backing for it. The Gold Yuan

then went up from four to US$1.00 to 15 million to US$1.00. We used to figure out our salaries in terms of Gold Yuan. It was very exciting.

Q: Did you speak Chinese?

VALDES: I tried to learn it.

Q: But you didn't have any formal training in it.

VALDES: I had three weeks of training—an hour a day in the morning. I was being taught Mandarin, which was somewhat helpful in Chungking, but the local people spoke the Sichuan dialect. They reversed the tones and had a slightly different vocabulary. So I never did get very far with it.

To me the highlight of my time in Chungking was a trip I made with A. Doak Barnett, a classmate [at Yale], who was in China on a study program. We went out to the Tibetan grasslands.

Q: Doak Barnett was born there.

VALDES: He was born there of missionary parents and was 15 or so when he left Shanghai. He was going out to Sikang Province in western China, west of Chungking. He came through Chungking and asked if I wanted to go along. Since Sikang Province was part of our consular district, I was able to do that. It was a fascinating time.

Q: How did you actually travel?

VALDES: We went in a jeep belonging to the Consulate. I took the jeep up to Chengdu and then to Yaan, which was pretty much on the border of Sikang Province. There had been a road from Yaan to Kangting, the capital of the province, but it had long since washed out. So we walked. We had a collection of coolies with us, carrying sedan chairs.

I have to admit that we rode for a good part of it, although most of the time we walked. Fortunately, the coolies carried our suitcases.

Q: So then you went to Seoul?

VALDES: After that I went to [the Embassy in] Seoul.

Q: What year was this?

VALDES: 1949 to 1950. I was in the Consular Section for three or four months and then went down to [the Consulate in] Pusan as the first Vice Consul there, where I did some consular work, including shipping and a little citizenship work. There weren't that many [American] citizens there. [After this] I went back to Seoul and was in the Economic Section for about three months. Then, [in May, 1950] I went on home leave and never got back.

Q: Ambassador Muccio was there, wasn't he?

VALDES: Yes, he was there.

Q: I served under him in Iceland, later. I guess you didn't cross paths with Bill Stokes.

VALDES: Yes, I did. When I was in Pusan, Bill Stokes, [Consul General] Angus Ward, and the whole crew from [the Consulate General in] Mukden [Manchuria] arrived on an American freighter after they were released from house arrest in Mukden. They were being repatriated to the United States. Pusan was the first free stop they made [after their release]. I went out on the pilot boat, climbed aboard the ship outside the harbor, and greeted them. It was the first time I met Bill Stokes.

Q: Bill Stokes, Marshall Green, and John Holdridge are writing a book for DACOR [Diplomatic and Consular Officers Retired] House. The title is to be, “War and Peace with China.” Very interesting. You'll be interested in reading it when it comes out.

VALDES: Yes, I will.

Q: The book makes it clear that the Chinese were involved in the whole attack on South Korea, even before it started. They had infiltrated units, individual soldiers, and so on and so forth. It's not as if they were just responding to General MacArthur's forces approaching the North Korean border with China.

Well, do you have any other comments on that phase of your Korean experience?

VALDES: I can't think of any.

Q: So you were on home leave when the [North Korean] attack came [on South Korea].

VALDES: I was at home when the attack came. I was still at home when Seoul was recaptured after the Inchon landing [by MacArthur's forces]. I was still at home when the Chinese came into the war. Then, as I said, I got into Russian language and area training, which I'd been fairly interested in ever since I'd had a course as an undergraduate taught by [Professor] Vernadsky at Yale, before [our entry into] World War II.

Q: But in connection with Russian language study, you had full-fledged language and area training, right?

VALDES: Yes.

Q: Any comment about that training? Was that adequate and good?

VALDES: It was quite good, I think, considering that I'm not really that gifted in languages. The area training at the Russian Institute at Columbia University was very good. The language training involved four months at the Russian Institute and two months at Cornell University, doing nothing but language study. That was an excellent program. Then I had a tutor and also studied Russian at Columbia, while I was taking substantive courses.

Q: So when did you arrive in Moscow?

VALDES: In July, 1952.

Q: Was Ambassador Tommy Thompson there then?

VALDES: No, Ambassador George Kennan was there. We had just been told by the Soviets that we had to move our Embassy, which had been on Mokhovaya Square, just across from the Kremlin. We had apparently disturbed Stalin by our “imperialist” proximity. We and the British had both been told that we had to move. They were just across the [Moscow] River from the Kremlin.

This became a very serious operation, known as the “Move,” with a capital M. Dave Klein, who went to Moscow at the same time I did and had gone through Russian language training with me, and I were assigned to the Administrative Section to help with the “Move.”

This turned out to be a great assignment, in that I was one of the few people who actually got to speak a lot of Russian—getting things out of Customs and dealing with a Russian labor force in the Embassy. So it was very good training. By the time that we actually did make the “Move” in May [1953], my [fluency in] Russian had improved considerably. I felt that I had no trouble handling the political reporting that I was doing after that.

Q: I would suppose that the security considerations in the “Move” were tremendous, trying to prevent the [Soviets] from “bugging” the new quarters.

VALDES: Yes. Well, of course, they were building the new building. We had a Danish architect supervising it. There wasn't much he could do. It was a brick building with brick bearing walls, so you couldn't change the size of the rooms very much, or the building would collapse. There were only Russian workers doing the actual work. So, in fact, they did “seed” a lot of microphones in the building, which we later found.

Q: You mean, most of them.

VALDES: Well, I think we found a good number of them. I'm not sure how useful they would have been to the Soviets, anyway.

Q: You mean that our golden words would not shake the world?

VALDES: I don't think that the security of the United States was really seriously harmed by that.

Q: You were doing economic work in Moscow?

VALDES: I was doing political work—internal political reporting. At that time it essentially involved reading the newspapers—some 15 or so a day—and talking to whatever people we could find to talk to. It was very difficult then.

When I got there [in July, 1952], it was the height of the Cold War. In fact, I'd only been there for six weeks when the Soviets declared Ambassador George Kennan “persona non grata.” When he came out of Moscow on the Ambassador's plane on a trip to Berlin, he remarked to a group of reporters that the current conditions in Moscow were similar to what he had gone through in a Nazi internment camp after December, 1941. This remark clearly upset the Soviets. He was declared “persona non grata,” and we had no ambassador until April, [1953] when Ambassador Charles E. Bohlen was assigned.

By that time Stalin had died. There were noticeable changes in the atmosphere—not very great ones, but enough to notice. The time of his death was a really dramatic period. For about four or five days the center of Moscow inside the Ring Road was blocked off by trucks manned with police. You could hear your footsteps echo. We could get through because of our Embassy being there. I listened to Chopin's “Funeral March” for, I would say, 10 hours a day for four days. It blared over loudspeakers. There was a great amount of concern among the people as to what was going to happen.

Q: What kind of Russians could you see in trying to do your political reporting? I suppose you could not really see anybody official.

VALDES: We couldn't see anybody official. We couldn't see anybody, so to speak, on purpose. For private [Soviet] citizens it was dangerous to be seen with us. Sometimes they'd argue about it, but then they'd notice a dark-suited man looking at them rather suspiciously and they'd decide that maybe it was better if they didn't talk to us. Really, the only way you could talk to people was by accident. You would try to create a number of accidents, such as standing in line with a lot of Russians at restaurants, because you were always seated with people. There couldn't be an empty seat, so often you would be sitting at a table with Russians and sometimes they would start chatting. And often on trips out of Moscow [you could talk to people], because the citizenry hadn't been indoctrinated that well on how to behave with foreigners, since there weren't that many foreigners around.

Q: Did the KGB [Soviet secret police], or whatever it was at the time, have enough people so that you yourself were actually followed on the streets?

VALDES: I don't remember being followed very much. Occasionally, I noticed, I was followed. The military attach#s tended to be followed very frequently—most of the time. For other people it was sporadic.

Q: Could you tell that you were not being followed?

VALDES: Well, at that stage I suppose that I did not have any real Russian friends whose homes I could visit. That was pretty much “out of the question.”

Now that changed the second time I was in Moscow. There was a great difference. We could get to know people and could invite them to our apartments. There would have to be some sort of excuse, such as showing a movie. That worked. To do it, we'd have to send the invitation to their institution [or office], such as the Union of Writers, if we were inviting a writer or a translator. The Communist Party representative at the theater, if we were

inviting an actor. Sometimes they wouldn't get the invitation and sometimes they would. If you could somehow get hold of them [in advance] and ask them to come, they would say, “Send me an invitation.” Some of them would go barging into the Party Secretary's office and say, “I have an invitation from the American Embassy. Do you have it?” Usually, the Party Secretary would back down and hand it to them.

Sometimes it got a little tricky. I remember that a friend, a colleague of mine, was going to hold a party but had to cancel it. I've forgotten why, but he had some reason to cancel it. He sent notices around, saying that he was canceling it. At the office of one person whom he had invited the Party Secretary had obviously decided that “this comrade had already had one invitation from the Americans. I'm not going to let him get another one.” So the person who had been invited never got the cancellation notice. He showed up, somewhat angered that there wasn't any party to go to.

Q: Was there anything about your work or living conditions there—that really surprised you and that you remember, particularly for that period [1952-1954]—either in the sense of your preconceptions or your ideas about the U. S.-Russian relationship at the time?

VALDES: I would say that the first time I was there [1952-1954] I wasn't really very much surprised by anything, except the friendliness of Russians that you did meet by accident. That surprised me a little bit because, as I said, it was at the height of the Cold War. We were being denounced for “germ warfare” [in North Korea] and everything else that the Soviets could think of. The Russians that we would meet believed some of these charges but some of them they didn't believe. In any case, they usually were quite friendly, when we did meet them. This wasn't always the case, but it was often enough the case that I was surprised.

Q: Then, during your later assignment [to Moscow, 1964-1966], what was the change in that regard? Did they still seem friendly?

VALDES: They seemed very friendly. Both times I was there were exciting periods: the first time, when Stalin died. You could see a change during the year or so that I was there after he died [in 1953]. People were beginning to talk a little bit.

For example, there was my Russian teacher, who had never said anything other than what was necessary to teach me Russian. That changed after Stalin's death. She commented one time, for instance, about the purges [of the late 1930's]. She said that she had worked in a large office with something like 40 people in it. One day she came into the office, and there was only one other person there. The other 38 had “disappeared.”

Q: Did they ever come back or were they gone for good?

VALDES: She didn't go into it any further, but presumably they didn't come back.

Q: In the Embassy then, with your political reporting, what was the chain of command above you and who were your direct supervisors? What was your position at that stage, a Second Secretary?

VALDES: A Second Secretary. My immediate supervisor was Dave Henry, a First Secretary.

Q: Was he the Political Counselor?

VALDES: Jack McSweeney was the Political Counselor. The Minister was Elim O'Shaughnessy. He was charg# d'affaires for a long time.

Q: When the Ambassador was there, he would have been DCM [Deputy Chief of Mission]?

VALDES: Yes, he was DCM. And then Jake Beam came to be charg# d'affaires, after Elim O'Shaughnessy had been charg# for a while. Jack McSweeney was the Political Counselor, so he was the second supervisor above me, then Elim O'Shaughnessy, and

then Jake Beam. And, of course, later on, Charles E. Bohlen. Beam left after Bohlen arrived.

Q: Would Jack McSweeney, in effect, have been doing the same things that you were doing? Was everybody more or less confined to press reporting?

VALDES: Well, he had contacts with the [Soviet] Foreign Ministry. There were some necessary contacts with them. All of us had contacts with the rest of the diplomatic corps, of course.

Q: There was a lot of "incestuous" partying.

VALDES: Right. It was a pretty closely-knit group at the time. There were some pretty good people in the British, French, and Canadian Embassies. Actually, the Yugoslavs were really good people to know because, even though they were on the "outs" [with the Soviets], they had to be considered communists of a sort by the Soviets. So they got to do a lot of things that we couldn't do.

That became true much later, during my second tour [in Moscow, 1964-1966]. There had been a kind of "reconciliation" between the Soviets and the Yugoslavs. They could go and talk to Party Secretaries when they traveled. We couldn't do that. We could talk to government people, but not the Party people.

Q: Charles Thayer may have been there when you were there. He was the author of the book, "Bears in the Caviar." Was that a reasonably accurate description of the atmosphere?

VALDES: He wasn't there when I was there. It was a reasonably good description of the situation, given the fact that it was pretty funny. I think that Avis Bohlen's [Ambassador Bohlen's wife] comment, that she was glad that he'd written a book, because these stories couldn't get any wilder, was very much to the point.

I saw a lot of the Bohlens because for a year I lived in Spaso House, the Ambassador's residence. It had been a tradition that a Russian language officer would live there. When George Kennan and Chip Bohlen were there as Ambassador, there wasn't really any need for a Russian language officer. But I did deal with housekeeping matters.

Q: You were sort of the resident interpreter and translator.

VALDES: Well, I would have been, except that the Bohlens didn't need an interpreter. I did get to know the Bohlen family quite well.

Q: That is sort of an interesting tidbit. Now did that have its disadvantages—always to be under the eye of the boss—actually living in his house?

VALDES: Well, in this case, living with that boss, it was good.

Q: You got a little sleep, did you?

VALDES: Yes.

Q: You had your own bedroom and bathroom and so forth?

VALDES: Yes, and if they didn't have a formal dinner, I often ate with them. Otherwise, food was brought in to me by the Chinese staff, so life was quite comfortable.

Q: [Spaso House is] sort of an 18th century palace.

VALDES: Yes.

Q: How did the aides live?

VALDES: It was very pleasant. I had to leave Spaso House because I was married in Moscow. This slot in the residence was for bachelor officers. So I moved out, and my wife took me in to her apartment.

Q: Was she a member of the [Embassy] staff?

VALDES: Yes. She was the DCM's secretary.

Q: Well, that was lucky. All right, anything else about the Moscow phase of your career, either substantive or otherwise?

VALDES: Well, my second tour was equally interesting. About a week after I arrived, Khrushchev was thrown out.

Q: What year was that?

VALDES: 1964. A troika of Brezhnev, Podgorny, and Kosygin took over. Brezhnev was the First Secretary of the Communist Party, so he eventually weeded out the others.

Q: Did you like being reassigned for a second time to Moscow?

VALDES: Yes, very much.

Q: In other words the fact of being a Soviet specialist worked out for you? You liked that?

VALDES: I enjoyed it.

Q: What exciting things happened during your second tour?

VALDES: Well, we did get to meet a lot more people. As I said, we could have them to our house and we could have meals with them. I was invited out to the Writers' dacha [country

house] by three or four writers. I got to know some theater people. It was a lot easier to travel, and we could talk more freely with people when we did.

Q: So what was the length of the two assignments again?

VALDES: Two years each.

Q: Personally, was that easy to take or was it terrible because of the winters?

VALDES: No, I didn't find the winters a problem.

Q: So emotionally it was not really a "hardship" post.

VALDES: The first tour there was a little hard because of the atmosphere. The second tour was much less trying. There was still a lot of strain.

Q: Did you get a paid leave outside of Russia each year—just to get away? To [Western] Europe, for example?

VALDES: Yes. During the first tour we didn't get that kind of leave, except that I banged up a knee and was sent out [of the Soviet Union] to a hospital in Frankfurt and got to Paris after that for a couple of weeks. During the second tour we had a month of paid leave in Western Europe. I think that it was on the basis of paid travel, probably to Frankfurt—I don't remember. My wife and I went to Rome.

Q: Probably "hooked" a ride on the Attach# plane, or something like that.

VALDES: Well, on that occasion we took Aeroflot [the Soviet airline], an Aeroflot turbo-prop aircraft from Moscow to Rome. And then we took the train back.

Q: OK, if you're running dry on Russia, what was the next assignment for you?

VALDES: After my first tour in Moscow I was assigned to Frankfurt, interviewing [Communist Bloc] defectors. I didn't get into that very much because I was in Frankfurt for [only] seven months. I interviewed four defectors, altogether. This was over the whole period.

Q: You would really go to the bottom of things with them.

VALDES: Yes. In one case it was kind of hard going. We were given a whole lot of questions to ask, plus anything else that we could think of.

Q: Were these rather "key" people?

VALDES: Well, no. They varied. One of them was very "non-key." He had been in the border guards, which I'd always thought of as an elite unit. He had graduated from fourth grade, but it had taken him six years to do it. He flunked first grade and had to repeat it.

Q: He flunked first grade! [Laughter]

VALDES: After talking to him I was convinced that he passed fourth grade the second time around only because his fourth grade teacher couldn't cope with the idea of seeing him a third year. He didn't really understand that the Russian language declines its nouns and adjectives. He got very confused when I declined the word "Moscow," for instance. I said, "In Moscow..." The ending was different than in the phrase, "to Moscow." I had to explain this to him. It was almost sad because he escaped from the border guards only because he hated the Army. He got across the border into Iran, I think.

The groups that ran this reception center [in Frankfurt] couldn't think of anything to do with him except put him in the U.S. Army, which would have been a real tragedy. He didn't flee one army just to get into another. I think that they finally came up with something else for him. Anyway, he was one extreme.

The other extreme was a fascinating fellow who had been manager of one of the industrial plants in Austria that the Soviets had taken over in what was [once] their zone of occupation. He was quite interesting.

Q: Quite willing to talk?

VALDES: Yes, he was quite willing to talk. He probably left because he had an Austrian girlfriend.

Q: Also, he'd seen how the other half of the world lived.

VALDES: Yes. He liked his Austrian girlfriend better than he liked his wife in Moscow. However, I'm sure that he did very well in the capitalist world, from the way he talked and the reactions he had to things. He was really quite an interesting person.

Q: I'd never imagined that you'd be able to invest so much time in so few people in that program. Did you have the feeling that it was useful or worthwhile?

VALDES: I think so, cumulatively.

Q: Were there many people in the program?

VALDES: Yes, there was one other fellow interviewing Russians, and then there were two or three interviewing Eastern Europeans. Then they had a lot of repatriated German prisoners of war. That was probably more useful, in that all of them wanted to talk. Actually, most of the Eastern Europeans did, also.

Q: I wonder how long that program continued. Do you happen to know?

VALDES: At least through the 1950's, because I went up there a few times when I was in the Embassy in Paris. The reports on the interviews are classified. Most of them, I think, were gone through and portions taken out of them, so that they could be declassified.

They took out anything that might hurt the person involved or his relatives in the Soviet Union. I think that these reports were used quite a bit by all kinds of people.

Q: Not just CIA analysts?

VALDES: No, by universities as well. The reports were declassified and published. I don't think that much of what was taken out of them or withheld really would've made that much difference to the person reading it.

Q: But later, on the desk, did they flow across your desk also?

VALDES: I'm trying to recall. Yes, I think that they were still being done at that time, in the early 1960's.

Q: After that assignment, unless you have something else...

VALDES: No. After that I went to [the Embassy in] Paris and, as I said, followed French Communist Party affairs. This was interesting, because it got me into French politics generally, covering elections and so forth.

Q: You obviously already spoke French, then.

VALDES: Yes. French was probably my best language. I also dealt with the French Foreign Ministry on Eastern European affairs. They had posts in Bulgaria and Albania, which we didn't have. The French were very helpful with us on those matters. We exchanged ideas on...

Q: Any particularly clamorous issues that you dealt with in that role?

VALDES: Well, yes, there was the Hungarian Revolution of 1956. We were trying to keep in touch with the French on that issue. This was all rather tricky, because we were

opposing the French on [the Anglo-French expedition to] Suez, [which happened at about the same time].

Q: Was De Gaulle in power at that time?

VALDES: I seem to pick good times to go to countries. De Gaulle came to power when I was in Paris, in May, 1958. That was a very exciting time.

Q: Also frustrating, as I recall, because he really wouldn't have much to do with the Americans.

VALDES: That attitude began to appear during the last year I was there. [For example, there were] his request for tripartite consultations and a reorganization of NATO [North Atlantic Treaty Organization] to give France a greater voice and the withdrawal from French participation in the NATO Mediterranean Fleet. That happened during the last year that I was there. It did make things very difficult. I noticed it, particularly later, when I was French desk officer, much sooner than we had two years earlier when the French National Assembly defeated EDC, the European Defense Community that the French themselves had proposed as a means of making West German rearmament palatable. (Dulles had predicted world catastrophe if the French didn't ratify EDC and felt that Mendes-France had betrayed us by not supporting it vigorously enough. As it turned out, the world didn't end, and the French came up with the more practical solution of proposing German rearmament with the entire German armed forces under NATO command).

After being French desk officer for two years [1959-1960] I moved to Soviet affairs and was really pretty much astounded at how much kinder people in the Department of State took to my new “clients,” the Soviets, than they had to my old “clients,” the French.

Q: The State Department considered the French a pain in the neck.

VALDES: That's right. They accepted what they considered bad behavior from the Soviets —that was normal. It was all right.

Q: Do you remember when Matt Looram got an award for handling the "difficult" French, and the French [Embassy] went to the Department and protested officially? [Laughter]I guess that was after your time. Maybe it was before.

VALDES: It was before. I replaced him.

Q: We got into hassles with the French over the Trieste negotiations because they had the Santa Margherita agreement with the Italians under which they would exchange information. So they were always trying to change the negotiating posture around, as the Italians wanted. We finally said [to the French]: "We understand that you have relations with Italy that make this role difficult for you. If you prefer, we'll continue on without you." Then they started to play ball. [Laughter] Time to change the tape.

Here we are, starting another side of the tape. This is an interview with [retired Foreign Service Officer] Phil Valdes on July 11, 1994. So now we continue. You're in Paris. When were you there, Phil?

VALDES: 1955-1959.

Q: 1955-1959—that was the period which included the Suez Crisis [of 1956]. Any substantive or operational comments you would like to make about that period?

VALDES: It was a difficult period for French-U. S. relations, obviously, because we opposed the French and the British on it [their joint expedition to take the Suez Canal]. But the harmful effects didn't last very long, I must say. Once the Suez Crisis was over, we got back to business as usual, and when de Gaulle was pushing far more vigorously than the Fourth Republic had for an independent French nuclear force. While de Gaulle recognized that only the U.S. had the power to block any Soviet aggression, he was not convinced

we would always have the willpower to do it. He didn't believe we would automatically risk nuclear destruction of American cities to save French ones. He also didn't believe U.S. policy decisions, or those of a European collective body, would necessarily be better for France than French decisions.

Q: So you were basically concerned with what you might call "diplomatic problems," focused more on external French issues than internal issues.

VALDES: Except for following French Communist Party developments.

Q: Anything else on that period?

VALDES: I can't think of anything.

Q: What came after that?

VALDES: I was on the French desk [in the Department of State]. That was sort of an extension of being in Paris, except, as I've said, I was surprised, when I got there [Washington, D. C.] to see the chilliness with which a lot of people [in the Department] regarded France—mostly because of De Gaulle's attitudes and positions on things.

Q: I guess that's when we overlapped, when I came back for the second time on the Italian desk, in 1961.

VALDES: I left [the French desk] in the middle of 1961 to go up to the Office of Soviet Affairs and was there for three years. I handled multilateral affairs, rather than bilateral Soviet matters.

Q: Was the Soviet desk fairly large in those days?

VALDES: Yes. It was an Office—the Office of Soviet Affairs.

Q: How many people were assigned?

VALDES: Oh, the director and his deputy, about four officers in bilateral affairs, four in multilateral affairs, and two in economic affairs. So that was pretty big.

Q: What were you in that structure?

VALDES: I was in multilateral affairs. During my last year [of that assignment to Washington, 1963-1964] I was in charge of multilateral affairs. What I handled particularly was disarmament matters having to do with the Soviets. When I took charge of multilateral affairs, I was involved in Berlin matters.

Q: Were your contacts primarily in other areas of the U.S. Government on those issues or with the Russians themselves [in the Soviet Embassy]?

VALDES: Not so much with the Russians but primarily with other areas of the U. S. Government.

Q: And other embassies [in Washington]?

VALDES: Other embassies, yes. I went to Geneva—I think that it was in 1962. I went with Hugh Dryden, the Deputy Administrator of NASA [National Aeronautics and Space Agency] as State Department representative to talks between NASA and Soviet space people. That was a fascinating 10 days or so.

Q: Why was it fascinating?

VALDES: Because it was the first time that we really seemed to be getting somewhere. We realized that the Soviet space people were really interested in cooperation with NASA. Various lines of agreement came out of [these discussions].

Then I went up to the UN in the spring of 1963 for the outer space meetings, where we continued negotiations with the Soviets and reached agreements on assistance to astronauts and cosmonauts in distress and on exchanging information on peaceful uses of space.

Q: Why did you feel that the Soviets were "open" then, when they hadn't been before?

VALDES: Well, I think that they'd always been "open," but for some reason they'd gotten a chance to do something about it—why, I don't know.

I think that there was a feeling at the beginning of the Kennedy administration [in 1961] that maybe the Soviets thought that they could engage in some useful negotiations with the U. S. [The process] bogged down. There were some problems. For example, the second meeting I had with the Soviets on outer space, in the spring of 1963, was shortly after the Cuban missile crisis [of October, 1962]. But [the Soviet representatives] put that aside and seemed willing to make agreements.

Q: Were they being pinched by shortages of money and scientific know how? Did they want to get that from us?

VALDES: They realized that they could get a lot from us. I think that they also believed that they had a lot to offer us—which, in fact, they did.

Q: So to some extent they were interested in the substance of the space operations.

VALDES: The Soviet science people were, yes. What the motive of the Soviet regime was—I'm not really sure. I think it probably hoped that it could get some space advantages, but it seemed to involve more of a willingness to go along, rather than any actually great desire to "diddle" us in anything.

Q: Any comments on their negotiating system or negotiating techniques in that field?

VALDES: In that field they had a man from the Foreign Ministry who tended to slow things down.

Q: I've read, in general, that on the really tough negotiations the Russian stance is absolutely rigid, turning everything down, until finally someone at the top says, “We have to reach an agreement.” And then they abandon their previous position.

VALDES: They can be very rigid and tough. In this case they weren't. They were trying to “push” things and were being held back a little. I think that they weren't trying to “push” to any extreme extent. I think that they knew the realities of what they could hope to get from their government in an agreement. The [Soviet] scientists were more forthcoming than...

Q: They had a certain amount of negotiating room. It happens that...

VALDES: They had a man with them to see that they didn't exceed their negotiating room.

Q: Everything was reported back to Moscow for approval?

VALDES: Oh, sure.

Q: As, in effect, we did, also.

VALDES: They never went way out on a limb.

Q: Right. So those agreements, when they were concluded, were actually implemented?

VALDES: Yes.

Q: What about other agreements in other fields that you were associated with? Was that also true of those?

VALDES: I was a little bit involved in disarmament, working with the Disarmament Agency [Arms Control and Disarmament Agency]. This was the time when we reached the nuclear test ban agreement.

Q: Did you have a particular, "tame" contact in the Soviet Embassy for this work when you were in the Office of Soviet Affairs?

VALDES: No, no particular person. The bilateral people [in the Office of Soviet Affairs] had much more contact with the people in the Soviet Embassy than I did.

Q: So they didn't come around to you for assistance in contacts with other parts of our bureaucracy?

VALDES: No, they'd raise questions like that with the bilateral people.

Q: That's one thing that the Austrians were always doing. They would come to the Austrian desk officer and ask him to solve their problems for them.

VALDES: We had an office that dealt with questions like that, I'm happy to say.

Q: Anything else on the Soviet desk period? How did the desk play its part in the Department of State and the White House bureaucratic structure?

VALDES: It was pretty far down the ladder. Ambassador Tommy Thompson was really the person who "created" policy toward the Soviet Union, I would say.

Q: Where was he at that point?

VALDES: He was, I think, called "Ambassador at Large." But in effect he was the Soviet specialist in the Department, outside of the desk. The Office of Soviet Affairs would run things through him [for approval].

Q: Were you kept adequately advised of what was going on?

VALDES: Yes, enough to do what we were doing. I'm sure that there were things that we were not kept advised of—but nothing that seemed to make a difference in what we were doing.

Q: All right. Anything else there?

VALDES: No.

Q: Well, your next role was what and when was it?

VALDES: I went back to [the Embassy in] Moscow [in 1964], but we've already covered that period. Then I went to the Embassy in Bangkok [in 1967]. I really don't have very much to say about Bangkok because it was something totally different for me. I didn't know how to speak Thai and didn't pick it up very well, though I worked at it.

It was an interesting period. I was doing internal political reporting and had two Thai language officers to help me, which was a blessing, because I couldn't have done it otherwise.

Q: What years did [your assignment to Bangkok] cover?

VALDES: 1967 to 1970. This was a period when they developed a new constitution to try and get back to parliamentary government. They did this, and it lasted for a while after I left, but not for too long.

Everything was sort of subordinate to the Vietnam War in that period.

Q: That book by Bill Stokes and Marshall Green which I referred to earlier also has a chapter on Thailand, because Bill Stokes was there in a liaison capacity.

VALDES: He was there at the same time I was.

Q: He seemed to be very satisfied and proud of the policies followed with the Thai. They had to provide their own security. We wouldn't take over the operations. Stokes felt that this policy worked very well and prevented us from being "sucked in," as we were in Vietnam. And I guess that Leonard Unger was there.

VALDES: He was the Ambassador.

Q: Anything else about that operation that you'd like to mention?

VALDES: No.

Q: So after Bangkok...

VALDES: I went to Berlin during the talks with the Soviets, which were a good example of what you mentioned previously—the ability of the Soviets to stick to a point—endlessly and at enormous length. This process went on for a long time. Eventually, we actually reached a good agreement, which facilitated exchanges with East Berlin, visiting rights, and so on.

Q: Was that when we opened our office in East Berlin?

VALDES: No. We didn't recognize them [at that time].

Q: I know that we never recognized them, but we had a representation there for some time, didn't we?

VALDES: No, not at this time.

Q: It must have happened later. I see.

VALDES: We went over to East Berlin a lot, as part of our occupation of Berlin as a city. During the time that I was there, the Soviets didn't really contest that. You'd show your ID card in the window of the car to the East German guards and would go through.

Q: You never had any personal experience with being held up, detained, or anything else like that?

VALDES: Yes, on one occasion, due to my own stupidity. I was going to East Berlin with my family one weekend. I drove out to the Muggelsee. I had stupidly left behind the West German map of Berlin and had taken with me only an East German map of Berlin. After we'd gotten to the Muggelsee...

Q: That's in the Eastern Zone?

VALDES: That was in the Eastern Sector of Berlin—the city. After we got to the Muggelsee, it looked a lot easier to go up North a little bit and then straight down Frankfurterallee—which was formerly Stalinallee—into Berlin to get to the checkpoint. I did this—went up a little, narrow road, seeing nothing unusual. I was going along the road which became Frankfurterallee when I saw a big sign saying, “Berlin.” I'd gotten out into the Eastern Zone [of Germany]—into the GDR [German Democratic Republic]. Then I also saw a checkpoint. Since I saw the checkpoint, I assumed that the [officials at the] checkpoint had also seen me. So there didn't seem to be any point in making a U-turn and going back the way we had come originally. I drove up to the checkpoint, stopped there, and explained what had happened.

There was no officer there. One of the guards, a non-commissioned officer, said, “But didn't you see the sign that said that you were leaving Berlin?” I said, “No.” One of the other guards said, “Yeah, there's no sign on that road.” I'd shown it to them on the map. The non-commissioned officer said, “Oh?” So they discussed the matter for a while and said that they had to keep me there until their officer came, because they had to report to

him. They said, “But you'll be able to go, and your kids will get their dinner on time. Don't worry about it.” Then the officer came, and that was it. So I left. Then I had to “confess” this “crime,” since my section [in the Mission] was supposed to keep other people in the Mission from doing this sort of thing. But there was no problem with it, really.

Q: You mean your section back at the Embassy.

VALDES: Yes, in the Mission.

Q: Did you travel throughout Eastern Germany or just...

VALDES: Yes. We could go to the [annual] Leipzig Fair because we could get a visa stamped on our Fair Card, not in our passport. Somehow, that was construed as not constituting recognition of the GDR [German Democratic Republic]. So we would do that. Pairs of us would go to each Leipzig Fair. One time, when I was down there, I discovered that we could take a bus excursion from the Leipzig Fair to Weimar and Buchenwald. That would be stamped on our Fair Card. We did that, and that was how I got to Weimar. Then, the next time I went to Erfurt. The third time I'd applied to go to Meissen and Dresden. We had gotten a place to stay through the Fair Visitors' Office and we'd been sent to an apartment. The man who answered the door there [at the apartment], when we showed him our cards from the Fair Visitors' Office, said, [with some annoyance], “I told them I wasn't taking any visitors. My wife is sick! Now, go!” So we went back to the Fair Office and got a new place to stay but meanwhile had registered for this trip to Dresden and didn't think to go to the place where we'd registered for the trip to change our address. So we waited for the bus, where the bus was supposed to pick us up, but no bus appeared. We waited an extra half-hour and finally went to the Fair Office. They said that the time had been changed, and it left a half-hour earlier than scheduled. They asked if we hadn't gotten a phone call. Then we realized that they couldn't have called us because they would have attempted to contact us...

Q: At the home of the terrible tempered Mr. Bang.

VALDES: So we were discussing what we could do. The Fair Office suggested that we could drive. So we drove to Dresden, passing through several “closed zones.” That is, zones closed to the Allied Military Missions. No problem at all.

On another occasion we went to what was then still called Karl Marxstadt (now again called Chemnitz) and from there up to Wittenberg, on the way back. So I saw a fair amount of East Germany on the way to and from the Leipzig Fair.

One time we stayed at the Leipzig Fair in someone's apartment in the building that had been owned by the Justice Ministry during the Nazi period. This apartment had been divided in two—we were in half of it. The whole apartment had been that of the state prosecutor in the Reichstag Fire trial [in the early 1930's]. The person who lived in it when we were there was an interesting guy. He'd been in an American-operated Prisoner of War camp in France, which he thought of as the happiest, freest period of his life.

Q: Really? Why?

VALDES: Well, he'd been anti-Nazi and wasn't a communist. He said that he'd been treated better as a POW. He showed us a lot of mementoes he had of it [his time as an American POW]. He was a painter and painted portraits of officers. They gave him a lot of money while he was there—more than he earned later.

Q: When you went to the West, you drove along the autobahn, did you?

VALDES: Yes, or took the train—one of the free, military trains. I flew a couple of times.

Q: Anything else from that period? You probably were a First Secretary by then?

VALDES: Yes. I saw a lot of the Soviets since, among other things, I was the guy who had to go over to protest every time they or the East Germans did something unpleasant,

such as shooting someone trying to get over the Wall. So I spent a lot of time in the Soviet Embassy, working with my counterpart there. He was a pretty interesting and rather pleasant guy to deal with.

Q: He wasn't "frozen-faced" and...

VALDES: No.

Q: But would be able to solve any of your problems?

VALDES: A few of them—not very many. There would be times when things would improve a good bit.

Q: Did you ever have any intimation of the coming cataclysm or revolution in the Soviet Union? That the system really was under such strain that it might be going to fall apart?

VALDES: No. When I was there, we realized that it was under strain, that their economy had very serious problems, and that they were trying to do too much with too little. They were doing it very inefficiently, but we all thought that they would sort of "muddle along" for quite a while. As I say, I went there for the last time in 1966, except for a month I spent escorting a theater group in 1976. Things hadn't reached that stage [of dissolution] then. In fact, the real "crunch" hadn't occurred because they hadn't really devoted such a great part of their income to armaments, as they did during the last few years under Brezhnev.

As for the geographic breakup of the Soviet Union, I had expected that at some point the Baltic republics [Esthonia, Latvia, and Lithuania] would break out. And I think that most of the Russians I knew had accepted the idea that the Baltic States would eventually break out. They didn't feel that the Baltic states were theirs by right. I noticed a lot of nationalism in the Ukraine, but mostly in the Western Ukraine, the parts that had been part of Poland and Czechoslovakia.

Q: Now how did you notice that? What was the evidence?

VALDES: Well, when I traveled to Lvov [western Ukraine], I heard more Ukrainian and less Russian. And [there was] the attitude of factory people and managers I talked to. They just seemed a lot more open and pushing to do more than they were able to do.

Q: They wouldn't say, "We can't stand these awful Russians?"

VALDES: In the Baltic States they did say that. They would ask, "When are you going to get the Russians out of here?" In fact, in the Baltic States, one example of this attitude was the Intourist [Soviet tourist bureau] guide we had. The Intourist guide is assigned to Embassy visitors to keep them out of mischief, essentially, and keep them relatively happy—not seeing things they shouldn't see or doing things they shouldn't do. The guide we had was an Estonian.

The first indication of this came when we were sitting in the dining room in Tallinn, working out our program with him. In the course of this discussion I asked him if you could receive Finnish television programs. He said: "Oh, it's very difficult. You need a complicated antenna. Oh, no, it's really very difficult." I let that pass. Later, when we were out in the street, he pointed up to the top of a building and said, "There's one." I said, "One what?" He said, "An antenna for receiving television programs from Helsinki." I looked more carefully and saw a sort of Rube Goldberg thing on the roof. And he said, "Look around." I looked around and saw that every house had one of them. He said, "They're our brothers."

On another occasion we went out to the ruins of a church, outside of Tallinn. It had been destroyed a couple of hundred years ago, I guess. When we got there, he explained that it was done by Latvians. This led him into a dissertation on the evils of the Latvians, which ended with his saying, "And in 1917 they fought with the Bolsheviks against us." Which they did. The Latvians had a rifle regiment that fought with the Bolsheviks.

Anyway, nationalism was very open in the Baltic States—although less so elsewhere. In the Caucasus you had the feeling that the Armenians and the Georgians weren't very happy in the Soviet Union. But I also had a feeling that both the Armenians and the Georgians felt that they could “handle” the Soviets well enough, so they didn't really have a problem.

I never went to Central Asia, so I don't...

Q: In Genoa in 1946 I had a secretary who was a refugee from Lithuania. The one thing that she and her family wanted to see was war between the Soviet Union and the United States!

VALDES: I believe that.

Q: OK, so where are we at the moment?

VALDES: Well, we've skipped around a bit. Oh, I don't think that I have anything more to say about Berlin.

Then I went to [the Consulate General in] Munich in 1975, to replace a CIA guy, actually. He'd left some time previously.

Q: Was Jack Sulser there at the time?

VALDES: No.

Q: Perhaps he had been in Munich earlier. He joined an inspection team that I was leading in 1974, I think. He had been detailed from—maybe it was Frankfurt. You're talking about Munich.

VALDES: He may have been assigned to [the Consulate in] Duesseldorf.

Q: What was happening in Munich?

VALDES: The work involved seeing that the policy decisions made in the two radio stations didn't conflict with State Department policy toward the Eastern European countries and the Soviet Union. There was a tendency in both radio stations, of course, since they were staffed by refugees from the countries involved, to try and be much more forceful than we felt was “politic” at the time.

Q: Practically speaking, it's really quite difficult to monitor this huge volume of broadcasting, isn't it?

VALDES: It's extremely difficult. I used to get scripts and would go over them, picking some out at random, and then commenting on some if I found something to comment on. Both radio stations had policy staffs, and it was difficult for them, too.

Q: You mean, even with the best will in the world.

VALDES: Yes.

Q: Do you think that this kind of supervision worked?

VALDES: It worked well enough, I think. I don't recall that there was any real damage done. There was material broadcast which some governments would complain about, but that's all right.

Q: You mean complaints by foreign governments?

VALDES: Yes.

Q: Did you have Congress complaining about your product?

VALDES: No, I don't think that we did. We had a number of Congressional visitors. I remember that Senator Hubert Humphrey came over. We took him to visit the radio stations.

Q: Are they still operating?

VALDES: Yes, they're both operating. They've changed their role somewhat. Someone from Radio Liberty told me, not too long ago, that their subject matter is often, “How to do something.” For example, how you go about existing in a market economy and what you do.

Q: Really.

VALDES: In fact, the two radio stations have staff correspondents in Moscow, and, I think, in Eastern Europe, too.

The Czechs—Vaclav Havel [president of the Czech Republic]— invited the radio stations to move to Prague, he was so interested in keeping them going. I don't know what happened. They were thinking seriously of doing it because the costs would be much less than in Munich.

Q: I think that that issue has not been decided yet. It's still being considered. What was your feeling about the utility and effectiveness of that whole broadcasting operation?

VALDES: RFE [Radio Free Europe], I think, was very effective. Radio Liberty was less so because of “jamming” [by the Soviets], but as time went on, I think that it became more effective. They would carry a lot of things like material written by dissidents—such as Solzhenitsyn and others. They would read it over the air. We did get some “feed back” from people who came out. The radio stations were clearly listened to and heard.

Q: Is there any jamming now, as far as you know?

VALDES: As far as I know, no. [When I was in Munich], broadcasts by the VOA [Voice of America] were no longer being jammed by the Soviet Union. Radio Liberty was still being jammed, but not the VOA.

Q: Anything else on that?

VALDES: No, except to comment on VOA. I remember talking to Soviet officials at times, asking them about something, and they'd tell me that they didn't know, but had heard on the VOA that...

Q: Even in the earlier period?

VALDES: Yes. In the 1950's. They were willing to say that they were listening to the VOA.

Q: Now, what kind of radios would they have been listening to? Was this all short wave?

VALDES: Yes, but the Russians mostly have short wave radios. Because the distances [within the Soviet Union] were so great, most of their radios have short wave bands. So that wasn't a problem. RFE broadcast on medium wave as well, but their distances are much shorter and they can get the medium wave transmissions [into their target areas].

Short wave sets are very common in Eastern Europe. It would be hard to buy one—it used to be hard to buy one—without short wave.

Q: Okay, what else?

VALDES: That sort of takes me to the end of my Foreign Service career, except for a delightful month I had in 1976, escorting the American Conservatory Theater to the Soviet Union. They played two weeks in Moscow in the Moscow Art Theater, one week in what was then known as Leningrad, and one week in Riga [Latvia].

Q: Do you have any particular comments to make about the Foreign Service as a career? Did it work for you? What did you think of it in retrospect—for example, the assignment and promotion process?

VALDES: Well, I wasn't always happy about the promotion process. I wasn't always happy about the assignments' process but I think that, on balance, it worked pretty well.

Obviously, I enjoyed some posts much more than others, in terms of interest as well as...

Q: You had a fairly pleasing assortment of posts. You didn't have any really terrible places to serve in. Well, Chungking was no...

VALDES: Yeah, but it was interesting. The Chinese are enjoyable to be with.

Q: Are they?

VALDES: I enjoyed that. I didn't like the city of Chungking, per se but I'm glad I was there.

Q: It was still war-ravaged, wasn't it? You must have had pretty primitive living conditions.

VALDES: Chungking was pretty primitive. It was mostly a problem of being over-inhabited. It was a pretty small city before World War II. It had grown from something like 250,000 [people] to well over one million and didn't have the facilities to take care of such growth. So things were really pretty primitive. For example, the electricity system had been put in for a city of 250,000 people in the 1920's. And in the late 1940's, after a period of very poor maintenance, it wasn't holding up too well in supplying over one million people. The power would be off, theoretically, one day in four or one day a week—I've forgotten. In practice, the cuts were much more often. The voltage, which was theoretically 220 volts, would come down to about 70 volts in the evening.

Q: Really?

VALDES: Most people would have 110-volt electric light bulbs and a voltmeter, sitting prominently in the living room. Then, in the evening, they'd screw in the 110-volt bulb. As the voltmeter registered 120 or 130-volts, they'd take out the 110-volt bulbs and put in 220-volt bulbs. We had ceiling fans. The one I had over my bed had three speeds. At night, when I went to bed, I'd turn it on to the highest speed. The voltage would be, maybe, 150-volts then. When it got up to 220-volts, at about 2:00 AM, the thing was whirling like an airplane propeller, so I'd have to wake up and turn it down.

Then the inflation [in China at that time] made life very difficult for everybody. For example, university professors were making [the equivalent of] something like US$1.00 a month [at the going exchange rate], because their pay just lagged behind. They'd have to make some money, somehow. Otherwise...

Q: How did you, in your position, solve that problem? Bring everything in from outside?

VALDES: Well, we brought some things in from outside the country. But we mostly lived...

Q: Or did you pay in U.S. dollars?

VALDES: We'd keep dollar bills and change them for what we needed to buy. Actually, for a while, the Consulate was operating in three currencies: U. S. dollars, Gold Yuan, and silver dollars, because the silver dollars had a value that was permanent. The only trouble was that some silver dollars were better than other silver dollars. The national silver dollars were better than the provincial silver dollars.

Q: Why?

VALDES: People just thought that they were better. Among the national silver dollars, the one showing Yuan Shih-kai with one eye open was the best. You could get more for that than you could for any other. So you had to thumb through your silver dollars.

Q: Well, are we about through, do you think?

VALDES: I think so.

Q: Well, we'll wind that up. This is the end of the tape, and thank you very much, Phil.

End of interview